



***Program Compliance Office
Cal Grant Program Review Report***

2003-04 Award Year

**Galen College of Medical & Dental Assisting
Program Review ID#90501202700**

**1325 N. Wishon
Fresno, CA 93728**

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| Program Review Dates: | January 2006 |
| Auditor: | Nati DeGroot (916) 526-6413 |
| Report Approved by: | Charles Wood, Manager Program Compliance Office (916) 526-8912 |

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AUDITOR'S REPORT

SUMMARY

We reviewed Galen College of Medical & Dental Assisting's administration of California Student Aid Commission (Commission) programs for the 2003-04 award year.

The institution's records disclosed the following deficiencies:

- Noncompliance with the Commission's WebGrants Information Security and Confidentiality Agreement
- Satisfactory Academic Progress Policy Does Not Meet Federal Requirements

BACKGROUND

Through institution compliance reviews, the administration of Commission programs is evaluated to ensure program integrity with applicable laws, policies, contracts and institutional agreements as they pertain to the following grant programs administered by the Commission:

Cal Grant C

The following information, obtained from the institution and Commission database, is provided as background on the institution:

A. Institution

- Type of Organization: Private, For Profit Institution
- President: Stella Mesple
- Accrediting Body: Accrediting Commission of Career Schools/Colleges of Technology
- Size of Student Body: 229

B. Institutional Persons Contacted

- Stella Mesple: President

C. Financial Aid

- Date of Prior Commission Program Review: None
- Branches: None
- Financial Aid Programs: Federal: Family Education Loan Program, Pell, Perkins, and SEOG
State: Cal Grant C
- Financial Aid Consultant: FAME, PEAC

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the institution adequately administered the Commission programs and their compliance with applicable laws, policies, contracts and institutional agreements as they pertain to the grant programs administered by the Commission.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Applicant Eligibility
- C. Fund Disbursement and Refunds
- D. Roster and Reports
- E. File Maintenance and Records Retention
- F. Fiscal Responsibility for Program Funds

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that grant funds received by the institution are secure.
- Administration systems have adequate controls to ensure that grant payments are accurate, legal and proper.
- Accounting requirements are being followed.

The procedures performed in conducting this review included:

- Evaluating the current administrative procedures through interviews and reviews of student records, forms and procedures.
- Evaluating the current payment procedures through interviews and reviews of student records, forms and procedures.
- Reviewing the records and grant payment transactions from 1 student who received a Cal Grant C award within the review period. The program review included the entire population.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Commission grant funds were administered according to the applicable laws, policies, contracts and institutional agreements. Accordingly, transactions were examined on a test basis to determine whether grant funds were expended in an eligible manner. The auditor considered the institution's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the institution's administration of the California grant programs.

AUDITOR'S REPORT (continued)

**OBJECTIVES,
SCOPE AND
METHODOLOG
Y (continued)**

The names and social security numbers of the sample of students reviewed have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name, social security number and grant type.

CONCLUSION

In conclusion, except for the deficiencies cited in the Findings and Required Actions section of this report, the institution administrated the Commission grant programs in accordance with the applicable laws, policies, contracts and institutional agreements as they pertain to the Commissions grant programs.

**VIEWS OF
RESPONSIBLE
OFFICIALS**

The review was discussed with agency representatives in an exit conference held on February 21, 2006.

February 21, 2006

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

A. GENERAL ELIGIBILITY: **FINDING 1: Noncompliance With WebGrants Information Security And Confidentiality Agreement**

A review of institutional records revealed that the institution failed to comply with the Commission's WebGrants Information Security and Confidentiality Agreement.

DISCUSSION:

As stated in the Information Security and Confidentiality Agreement, institutions must notify the Commission within five (5) working days to disable the password and ID of any employee whose change in employment status or duties no longer requires access to the Grant Delivery System (GDS) – WebGrants System.

A comparison between Commission and institutional records revealed that the institution did not notify the Commission in writing within 5 working days to disable the password and ID of one employee that had ceased working for the institution.

However, during the on-site review, the System Administrator requested that the Commission disable the password and ID of the aforementioned employee. As of February 23, 2006 the employee was still an active user.

REFERENCES:

Institution Agreement, Article II.E.
WebGrants Information Security and Confidentiality Agreement
Commission Special Alert, GSA 2000-01, 01/19/00

REQUIRED ACTION:

The institution must request that the Commission's Information Technology Division disable the password and ID of the employee who is longer employed. Additionally, the institution is required to submit administrative policies and controls to ensure compliance as outlined on the WebGrants Information Security and Confidentiality Agreement.

INSTITUTION RESPONSE:

In the corrective action plan the institution has clarified its' written policy to all corporate and campus specific departments including the Financial Aid Office, Business Office, Information Technology and Human Resources to assure required action at the time of hire and separation of an employee. Susan Woods was terminated from the Web Grant Delivery System on March 31, 2006. A copy of that termination notice is attached to this response, the original having been mailed to CSAC, Information Technology Services Division. We anticipate no further failure in this area of compliance.

FINDINGS AND REQUIRED ACTIONS (continued)

AUDITOR REPLY:

This action is deemed acceptable and no further action is required.

A GENERAL ELIGIBILITY: **FINDING 2: Satisfactory Academic Progress Policy Does Not Meet Federal Requirements**

An examination of the institution's current Satisfactory Academic Progress (SAP) policy revealed that the policy is not in compliance with federal regulations.

DISCUSSION:

Institutions are required to establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program. The Institutional Participation Agreement states that institutions must verify and confirm a recipient's eligibility at the time of disbursement.

Since a student may be meeting SAP requirements based on the student's grade point average (qualitative component) but not be progressing toward graduation at an acceptable pace, the SAP policy must include a quantitative component consisting of the following elements:

- A. A maximum timeframe in which a student must complete his or her educational program. The timeframe cannot be longer than 150 percent of the published length of the educational program measured in academic years, academic terms, credit hours attempted, or clock hours completed, as appropriate.
- B. The school must divide the maximum timeframe into increments and designate the minimum percentage or amount of work that a student must successfully complete at the end of each increment to complete his or her educational program within the maximum timeframe.

The quantitative and qualitative standards used to measure academic progress must be cumulative, must include all periods of enrollment, and must be measured at least once an academic year. Furthermore, transfer credit hours must be counted as well, so that transfer students are not given more time than other students to complete the program.

A review of the institution's SAP policy and discussions with institutional staff revealed that there is no "Quantitative" component established in its policy. At Galen College of Medical & Dental Assisting, the normal program length for a student to complete their program is 8 phases. The institution's SAP policy states, "For students attending full-time, these courses must be completed within 12 phases. Evaluation of satisfactory progress will be made at the end of each phase."

No observation of noncompliance with the "Quantitative" component was observed from the student sample reviewed.

FINDINGS AND REQUIRED ACTIONS (continued)

REFERENCES:

34 CFR 668.16(e)
Institutional Participation Agreement, Article IV.A.B.
Cal Grant Manual, Chapter 9, page 9-5
Galen College of Medical & Dental Assisting Academic Standing Policy

REQUIRED ACTION:

The institution must revise its current SAP policy to include a “Quantitative” component that meets the minimum federal requirements. Please submit a copy of the revised policy, as well as, the method by which the institution’s revised policy will be disseminated to all current and prospective students.

INSTITUTION RESPONSE:

The institution, upon preparation for re-accreditation (2003/04) became aware of deficiencies relating to our Satisfactory Academic Progress policy. With the guidance of our accrediting commission (ACCSCCT) the SAP policy was revised with components of Qualitative and Quantitative Standards that are in compliance with ACCSCCT Guidelines and Federal Regulations. Our SAP policy as currently stated in our catalog is as follows:

Satisfactory Progress is necessary in order to maintain eligibility for Title IV assistance programs and applies to all students. Evaluation of Satisfactory Progress is made at the end of each Phase of training.

Satisfactory Progress for Veteran (V A) Students:

Satisfactory Progress is necessary in order to maintain eligibility for Title 38 assistance programs.

Definition:

At Galen College of Medical and Dental Assistants, satisfactory progress is defined by the following criteria:

- 1. A minimum grade point average of 70% (2.0 or C).*
- 2. Being on Probation.*
- 3. Meeting the specified conditions for incompletes, withdrawals, repetitions and remedial work.*

Students must maintain a minimum grade point average of 2.0 at the end of the first 25% of the program; 2.0 grade point average at the end of 50% of the program; and must achieve a 2.0 grade point average upon completion of classroom instruction to be considered to be maintaining Satisfactory Progress. In these points fall within a grading period, progress will be evaluated at the end of the prior period.

FINDINGS AND REQUIRED ACTIONS (continued)

Academic Probation:

If a student fails to maintain satisfactory progress, consultation with a school official will be scheduled and the student is placed on a "one-phase" probation during which students retain their Title IV or VA Title38 eligibility. During the above mentioned consultation, the student is advised, counseled and notified in writing that continued unsatisfactory progress will result in termination. At the end of the second consecutive probationary period, students who fail to maintain academic minimum requirements will no longer be eligible for Title IV or V A Title 38 funding.

Incompletes, Withdrawals, Repetitions and Remedial Work: *Students with course incompletes, withdrawals, repetition, and those doing remedial work are eligible to continue receiving financial aid if the following conditions are met:*

- 1. The student is otherwise making satisfactory progress.*
- 2. The time needed to make up and complete course work is within the program maximum time frame.*

When a phase is repeated, the second grade will be included in the computation of the student's grade point average. The original grade will remain on the permanent academic record. All phases will count towards phases attempted for the maximum time frame requirements.

Maximum Time Frame:

To remain eligible for Federal Financial Assistance (Title IV and V A Title 38 Aid) students must complete their programs within the Maximum Time Frame as follows:

MEDICAL ASSISTANT PROGRAM (8 Phase program must be completed within 12 Phases)

DENTAL ASSISTANT PROGRAM (8 Phase program must be completed within 12 Phases)

Appeals:

Students may appeal any determination that they are not maintaining Satisfactory Progress by submission a written request to the College Administration for review. The written request should describe any circumstances the student feels deserve further consideration. A decision will be made and the student notified accordingly. Students who have been withdrawn for failure to maintain Satisfactory Progress and are later accepted for re-enrollment are placed on a one Phase probationary period during which no Title IV funds will be disbursed. If the probationary Phase is failed the student will be withdrawn from the College with no further right to appeal.

Our current catalog has been enclosed for your reference.

AUDITOR REPLY:

The institution supplied a copy of their revised SAP policy. This action is deemed acceptable and no further action is required.

ATTACHMENT A - STUDENT SAMPLE

| <i>ID</i> | <i>Student Name</i> | <i>Program & E/C</i> | <i>New/Renewal</i> |
|-----------|---------------------|------------------------------|--------------------|
|-----------|---------------------|------------------------------|--------------------|